

AGENCY

The **Ohio Division of Liquor Control** manages a system of agency stores, called "Contract Liquor Agencies," for the wholesale and retail sale of spirituous liquor. Spirituous liquor is intoxicating liquor containing more than 21% alcohol by volume. The Division selects products and sets the prices at which the Contract Liquor Agencies sell to licensed retailers and consumers. Spirituous liquor sold by Contract Liquor Agencies to licensed retailers and consumers is owned by JobsOhio Beverage System.

WET and DRY COUNTIES

State law allows local jurisdictions to hold local option elections to determine the authorized alcohol sales privileges.

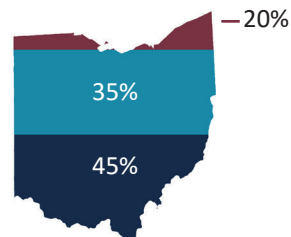
There are townships and city voting precincts in the state that remain dry.

Population 21 and over
(Estimate) (2014)

8,400,000

PERMIT FEES

Ohio Division of Liquor Control Permit Fee Distribution
FY 2016:



- Ohio Department of Mental Health and Addiction Services (20%)
- Taxing Districts for liquor law enforcement (35%)
- Ohio Liquor Regulatory Fund* (45%)

*Note: of the \$17,569,581 transferred to Ohio Liquor Regulatory Fund, \$9,500,000 was returned to the Ohio General Revenue Fund.

JobsOhio Beverage System granted \$120 million
to JobsOhio for economic development FY 2015:



- Economic Development

HISTORY

In 1983, Ohio completed a conversion from state-run warehouses and state-owned stock system to a bailment system. From 1991-1996, it converted all state stores to private businesses called contract liquor agencies. In Fiscal Year 2013, the transfer of Ohio's wholesale liquor enterprise to the non-profit JobsOhio Beverage System was completed.

LICENSING

Responsible for licensing the operations of more than 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages, the Licensing section pursued a customer service improvement program. This initiative resulted in timelier and streamlined processing applications. Additionally, customers received improved assistance navigating the application process. During FY 2015, Licensing issued 1,583 new permits and 7,252 temporary permits, transferred 1,413 permits and renewed 24,616 permits.

The Division works with local law enforcement and the Department of Public Safety Investigative Unit to ensure compliance with Ohio law.

The Division's Licensing Section was responsible for licensing the operations of more than 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages. This includes the issuance of new permits, permit renewals and transfers, as well as the investigative and hearing requirements associated with permit issuance. This section issued 1,619 new permits and 6,972 temporary permits, transferred 1,537 permits and renewed 24,891 permits.

\$38,928,841

Total permit fees distributed in
Fiscal Year 2016



DISTRIBUTION

The Division of Liquor Control manages wholesale and retail operations for the sale of spirituous liquor in Ohio. Profits from spirits provide dedicated funding for JobsOhio's economic development efforts. JobsOhio Beverage System is the sole purchaser and distributor of spirituous liquor (intoxicating liquor containing more than 21% alcohol by volume) in Ohio. The Division selects and prices the products, and JobsOhio Beverage System supplies them to "Contract Liquor Agencies" on consignment. Contract Liquor Agencies are private businesses which own and operate retail outlets selling other goods and services to the public, such as beer, wine and low proof mixed beverages.

Does jurisdiction allow direct shipping of wine?



Estimated tax per standard drink:

SPIRITS: \$0.152
WINE: \$0.026
BEER: \$0.008

OUTLETS AND GROCERY STORES

JobsOhio Beverage System has control of spirits at wholesale and retail. It has 466 private liquor agencies. The Division issues permits to the state's approximately 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages.

- Ohio law provides a quota on the number of certain permit classes that the Division of Liquor Control can issue within a taxing district based on population. There are permit classes that are exempt from said quota.
- Jurisdiction does allow the sale of spirits in convenience stores
- Servers must be 19-20 years old to serve beer at on-premise outlets, and employees at off-premise outlets must be 18 years old to sell beer
- The sale of beer, wine and mixed beverages in sealed containers are permitted in grocery stores
- Sunday sales are allowed
- Keg registration is not required
- For every 100,000 residents ages 21 and older, there are 5.5 spirits outlets
- Beverage service training is voluntary

OHIO DIVISION OF LIQUOR CONTROL IN ACTION



The Division developed a display with easy to carry wallet-size cards providing useful information for a serious conversation with minors about underage drinking. This new program is called "Talk – They Hear You." It provides helpful tips on how to start a productive conversation with minors and what to say about the dangers and problems that accompany underage drinking to help discourage that behavior. Each of the 466 Contract Liquor Agencies in Ohio received a display and a stock of "Talk – They Hear You" cards to display near the checkout or another highly visible area of their store.

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, Ohio Division of Liquor Control, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)